

**Final Order Denying Refund: 01-20182195R  
Individual Income Tax  
For Tax Year 2014**

**NOTICE:** IC § 4-22-7-7 permits the publication of this document in the Indiana Register. The publication of this document provides the general public with information about the Indiana Department of Revenue's official position concerning a specific set of facts and issues. The "Holding" section of this document is provided for the convenience of the reader and is not part of the analysis contained in this document.

**HOLDING**

Individuals were not entitled to a refund of estimated payments made toward their state individual income tax obligation because the refund request was made outside of the three year statute of limitations to request a refund of overpayment.

**ISSUE**

**I. Individual Income Tax - Refund Statute of Limitations.**

**Authority:** IC § 6-8.1-9-1; IC § 6-8.1-6-1.

Taxpayers argue that their claim for a refund of withholding tax paid during 2014 should not be barred by the three year statute of limitations.

**STATEMENT OF FACTS**

Taxpayers are married individuals residing in Indiana. On or about July 18, 2018, Taxpayers filed their individual income tax return for tax year 2014. The original due date of the return was April 15, 2015. The Indiana Department of Revenue ("Department") processed Taxpayers' return, but denied issuance of the requested refund because the return was filed outside of the three-year statute of limitations for requesting a refund.

Taxpayers disagreed and submitted a protest to that effect. An administrative hearing was conducted during which Taxpayers explained the basis for the protest. This Final Order Denying Refund results.

**I. Individual Income Tax - Refund Statute of Limitations.**

**DISCUSSION**

Taxpayers request a refund of excess estimated payments for individual income tax paid during tax year 2014. The issue is whether the 2014 refund request was barred by the three-year statute of limitations. Taxpayers argue that extenuating circumstances caused a delay in filing the state return at issue, including medical and data loss issues.

The statute of limitations for requesting a refund of excess withholding tax paid during the tax year at issue is found under IC § 6-8.1-9-1(a), which states:

If a person has paid more tax than the person determines is legally due for a particular taxable period, the person may file a claim for a refund with the department. Except as provided in subsections (j) and (k), in order to obtain the refund, the person must file the claim with the department within three (3) years after the later of the following:

- (1) The due date of the return.
- (2) The date of payment.

Taxpayers filed their 2014 Indiana individual income tax return on July 18, 2018, more than three years after the original due date of April 15, 2015. Following the hearing, Taxpayer submitted federal form 4868, which is the Application for Automatic extension of time to File U.S. Individual Income Tax Return, for tax year 2014. According to IC § 6-8.1-6-1(c)(1), "[i]f the Internal Revenue Service allows a person an extension on the person's federal income tax return, the corresponding due dates for the person's Indiana income tax returns are

automatically extended for the same period as the federal extension, plus thirty (30) days."

Taxpayers had filed form 4868 with their federal income tax return filing on July 18, 2018. However, the instruction booklet for the 2014 Indiana form IT-40 indicates that filing extensions for tax year 2014—whether via filing federal form 4868 or Indiana form IT-9—must have been filed by April 15, 2015, in order to properly request an extension. There is no indication that this form was filed with the IRS by April 15, 2015, to effectively extend the due date of Taxpayers' federal and state income tax returns for tax year 2014. Without additional evidence showing that the IRS allowed an extension on Taxpayers' 2014 federal individual income tax return, Taxpayers have not demonstrated that their request for refund was timely.

#### **FINDING**

Taxpayers' protest is respectfully denied.

February 27, 2019

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